

DPD-6744-59

October 8, 1959

The Firewal Company, Inc.
3695 Broadway
Buffalo 25, New York

REF: Contract HF-AP-1940

Gentlemen:

We are returning your invoices numbered 40535 and 40536 on the referenced contract, since they are not billed in accordance with the contractual provisions. Joe P. and [REDACTED] had a telecon on 26 July 1959 pertaining to this matter, and your previous invoices, billing for the same period as those invoices named above but with different numbers, were returned with our letter DPD-5125-59. FOIAb3c

Contract HF-AP-1940 provides for the services of a senior field representative at Laughlin Air Force Base to supervise other Firewal tech reps and to serve in an advisory capacity to the Air Force. The contract covers the period commencing on or about 16 February 1959 and ending 30 June 1960.

Under item 1, listed in Appendix I, the explanation is "Services at Laughlin Air Force Base while in other than relocation or travel status," and there is given a man-month rate and a man-day rate for [REDACTED] time. These rates include 15% G & A and Engineering Burden, 10% profit, and \$10.00 per day subsistence and lodging. 25X1A5a2

Item 2, for "Services while in relocation or travel status," also lists man-month and man-day rates which include all of the components just named for item 1, except that the allowance for subsistence and lodging is \$16.00 per day instead of \$10.00.

Invoice number 40535 should bill for the monthly rate as stated in item 1, less 5 man-days. Then there should be a charge for the 5 days in travel status at the man-day rate of item 2. In other words, it should be as follows:

25X1A5a2	
[REDACTED] time for May at non-travel monthly rate	\$1,309.66
Less 5 days (5 X \$46.49)	- 232.45
Pay for [REDACTED] services while at Laughlin Air Force Base	\$1,077.21
Add 5 days in travel status (5 X \$52.96)	+ 264.80
25X1A5a2	<u>\$1,342.01</u>

DFB-6744-59

Page 2

October 8, 1959

The per diem billed on invoice number 40535 is a duplicate charge since, as we have explained in the 4th paragraph of this letter, per diem of \$16.00 per day is included in the monthly and daily rates.

We might add that, if there is still a question on the propriety of billing per diem as a separate item, please refer to Appendix I, Part II (e) of the Contract Schedule which states that "Per diem allowances for the Senior Service Coordinator while in relocation or travel status, except for the specific travel authorized in Paragraph (a), above, are included in the rates set forth in Item No. 2, hereof." If you do not have paragraph (a) to refer to, it is quoted as, "Travel not to exceed two (2) trips to the West Coast Area and return to Buffalo, N. Y. by the Senior Service Coordinator during the period 1 January 1959 to 15 February 1959 is authorized in the performance of this contract." In explanation, then, per diem would be paid for the trips prior to the beginning date of this contract, since at that time no man-month rates including same would be in effect; however, it will not be paid as a direct charge for the May invoice when [REDACTED] is covered by the man-month rates of Contract HF-AP-1940.

25X1A5a2

Invoice number 40536 bills for 8 days in travel status for a 1,763 mile trip. In accordance with Appendix I, Part II (d) (1), Travel by Private Auto, time shall not exceed the amount required to travel the distance at the rate of 300 miles per day by the most direct route between the starting and destination points; or in other words, the trip of 1,763 miles should at most be billed as 6 days.

25X1A5a2 Also, invoice number 40536 appears to bill for all of the expenses of [REDACTED] and his family. If this assumption is correct, please take out all charges for [REDACTED] food and lodging, and submit a 25X1A5a2 claim to us for his family's expense only. The reason for this is that the per diem allowed in his established man-month (or day) rate always covers these items for him.

We might add, too, that the receipts for meals do not total the \$259.17 as billed. Part II, paragraph 4 of the Schedule requires that all expenditures, for which reimbursement is sought, be supported by documentation.

DPD-6744-59

Page 3

October 8, 1959

The charge for purchasing traveler's checks for traveling within the continental limits of the United States is not an allowable cost in accordance with standardized Government Travel Regulations. There was a \$6.00 claim for this on invoice number 40536 which should be omitted when the invoice is revised.

Another contractual requirement which is not being complied with is that of Part II, Consideration and Payment, paragraph 4 of the Schedule. This specifies that, on each invoice, you should indicate the period involved, total funds allotted for said period, less total of all previous billings thereby showing the balance available for expenditure in the period. Under this amount, set forth the amount of your current claim. In addition, when you submit the final bill for a period, you should label this as the final invoice, and again show the unexpended balance of funds. (This is so that the Contracting Officer may either amend the contract to transfer such funds to the subsequent period or remove them from the contract.)

Incidentally, the first period of Contract HF-AP-1940 ended 30 June 1959 with an allotment of funds in the amount of \$15,000., and your invoices numbered 40535 through 40539 billed for charges from 22 February through 30 June 1959.

If this includes the final claim, please advise us accordingly when you return invoices numbered 40535 and 40536 to us for payment.

Very truly yours,

Doug

Attachment: a/s

Distribution:

- 2 - Addressee att a/s
 - 1 - Contract HF-AP-1940 (Fin-DPD)
 - 1 - Contracting Officer, DPD
 - 1 - Finance Reading
 - 1 - Chrono
- EL:en/Fin-DPD/8 October 1959